

Royal Institute for Strategic Studies

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**Acquisition strategy
of Morocco Telecom
Investment dynamics in Africa**

Telecom Morocco Group over the years

Morocco Telecom Group today

Major player in the telecommunications landscape in Africa

Morocco Telecom Group today

Present in 5 African countries (covering 65.5 million inhabitants):

Morocco – Mauritania – Burkina Faso – Gabon – Mali-

Sources of growth

Development approach based on rigorous selection criteria

- ❖ Clarity of regulatory framework
- ❖ The attractiveness of business environment (legal, taxation, freedom of transfer ...)
- ❖ Clear rules of corporate governance,
- ❖ Political stability,
- ❖ Market Potential,
- ❖ Taking majority stakes to acquire the operation margin necessary for the development of its subsidiaries.

Need for good visibility to invest in a highly capitalist sector

Four subsidiaries, one common point

Incumbents losing momentum at the time of privatization:

- ❖ Mauritania Mauritel (April 2001)

- ❖ Burkina Faso: Onatel (December 2006)
- ❖ Gabon: Gabon Telecom (February 2007)
- ❖ Mali: Sotelma (July 2009)

Today, leaders or reference operators in their respective markets:

- ❖ Mauritel: * 54% market share, leader,
- ❖ Onatel: * 45% market share, leader,
- ❖ Sotelma: PDM highly increasing (* 31% against 17% in 2009)
- ❖ Gabon Telecom: the second operator in a fiercely competitive market (37% * of PDM behind Airtel)

All are beneficiaries today, and the oldest now distributes dividends.

A strong positioning based on sound assets

- An approach to South-South cooperation based on the dynamic economic policy of the Kingdom
 - The constant dialogue with governments to meet the expectations and understand the business environment
 - Respect for local culture
 - The accumulation of experience and rich expertise in Morocco, particularly:
 - ✓ Expertise in managing networks,
 - ✓ Innovative Marketing Strategy,
 - ✓ Rigorous management (management and reporting norms of international standards)
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Many cross-subsidiaries projects (completed or in progress)

- ❖ Deployment of fiber-optic cable linking the subsidiaries in Morocco
 - ❖ Alignment of information systems
 - ❖ mobile payment solution: Mobicash
 - ❖ unique roaming area for clients of the Telecom Morocco Group
 - ❖ Convergence of financial processes
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Positioning against the competition

Intense competition with international actors

Conclusion

Development of Telecom Morocco in Africa:

A contribution to the Moroccan economic presence in the Continent